

1 we are going to be subject to the same kind of  
2 infanticide that has happened to the DSL carriers  
3 and many of the smaller CLECs.

4           Having provided that basis, which I hope  
5 improves your understanding of our perspective, to  
6 use the vernacular, where we are coming from, we  
7 look at this and we see kind of a different  
8 perspective, and perhaps our viewpoint is narrow,  
9 but that perspective is very clear.

10           We've heard a lot of words today to try to  
11 explain where the costs are hidden. These words  
12 have tended to avoid explaining where the costs are  
13 hidden. We look at it very simplistically, and  
14 that is VGRIP or RGRIP or any combinations of those  
15 kinds of notions and approaches by any other name  
16 simply transfer costs from Verizon to its  
17 competitors. It's as simple as that. You could  
18 use all the words you want, different descriptions,  
19 different adjectives, different diagrams, but  
20 that's what it comes down to.

21           As we look at that map and talk about  
22 VGRIP or GRIP in terms of local calls or in terms

1 of intra-LATA toll calls, there is another layer  
2 that we're have to consider, and that's in two PIC  
3 jurisdictions, customers could pick their  
4 intra-LATA carriers, which makes these diagrams  
5 apply not to that case but only to the cases where  
6 the carrier that is providing local service is also  
7 the intra-LATA toll. I just want to call that to  
8 your attention because there is another layer of  
9 complexity. If you get mired in the swamp called  
10 VGRIP and GRIP. That's not a characterization.  
11 It's only a description.

12 I want to point out with respect to the  
13 diagrams that the financial demarcation point in  
14 the lower diagram as presented by Mr. Ball--

15 MS. PREISS: This is WorldCom Exhibit 48,  
16 and you are referring to the lower half of the  
17 picture which is marked as B; right?

18 DR. COLLINS: Yes, I am.

19 In B on WorldCom 48, the extension from  
20 the POI, which is at Verizon's tandem office to the  
21 IP, which shifts only on a financial basis, it may  
22 also shift on a physical basis, if there is

1 co-location there, but certainly does shift on a  
2 financial basis, the cost from Verizon which would  
3 normally be responsible for paying for that piece  
4 as seen in diagram A of WorldCom Exhibit 48 to  
5 WorldCom. In this example, Cox was subjected to  
6 the same kind of a pictorial.

7           The issue here is that if, in fact, Cox  
8 would be forced or WorldCom or AT&T would be forced  
9 to put a co-location cage in the end offices, it  
10 would probably try to get the most efficient use  
11 out of that co-location cage, which would be to  
12 provide direct trunking from its end office, Cox's  
13 end office to that co-location cage.

14           If then the Verizon takes its traffic from  
15 all of the customers in that central office, and  
16 we've heard they're going to trunk that traffic to  
17 that co-location cage, let's understand what that  
18 means. Trunking means they will aggregate the  
19 traffic at the switch and then they will run it  
20 50 feet or 75 feet or a hundred feet into the  
21 co-location cage.

22           This is not trunking in some massive

1 sense. This is a short trunk section, probably of  
2 paired cable into the co-location cage, hand it  
3 over to Cox or AT&T or WorldCom, and then say, here  
4 it is, you pay to get it to your customers. And  
5 that really does shift a tremendous burden,  
6 financial burden onto the competitors, and it  
7 chills the competitive marketplace.

8 Cox is very concerned about that, and we  
9 wanted to call to your attention that this impact  
10 of the facilities-based carriers such as Cox's is a  
11 significant one because we are going to have to put  
12 those facilities in.

13 The other clarification that I think is  
14 important to make, and perhaps it will help your  
15 understanding in some of the conversations, and  
16 that is we've talked about a POI situation where  
17 the Verizon POI, point of interconnection to the  
18 CLEC, and the CLEC POI, point of interconnection to  
19 Verizon, is at the same location, apparently in the  
20 Verizon tandems in most of the illustrations. They  
21 don't necessarily have to be.

22 The Verizon POI could be at Cox's central

1 office. Cox's POI could be at the Verizon tandem,  
2 in which case Verizon should then transport its  
3 traffic to its point of interconnection with Cox  
4 which is at Cox's central office.

5           The use of VGRIP and GRIP and the  
6 definition of an IP, which then transfers the  
7 financial responsibility to Cox, we are somewhat  
8 unsure of as to how that works in that situation.  
9 We guess based on just our concept for our  
10 understanding of the concepts of both VGRIP and  
11 GRIP, we guess that that somehow shifts our  
12 financial responsibility all the way from Cox's end  
13 office back out to Verizon's central office, which  
14 is even a greater shift of responsibility. And  
15 even of greater concern.

16           So, what I presented to you is a picture  
17 from a facility-based carrier. We think we  
18 understand the issues fairly clearly, and the more  
19 that clarity leads us to believe we don't like it,  
20 we don't want it, and we think it's unjust.

21           MR. DYGERT: I think this is probably a  
22 good time for us to take a short break. It's

1 11:10. I'm sorry, one quick question.

2 MS. PREISS: I understood Verizon to say a  
3 few minutes ago that its GRIP and VGRIP proposal is  
4 limited to traffic exchange with CLECs where  
5 comparing the originating NXX code with the  
6 terminating NXX code, that's a local call under  
7 Verizon's tariffs; is that correct?

8 MR. D'AMICO: I think when Don was  
9 speaking, he was talking about the routing is based  
10 on routing to the switch based on the NXX code. As  
11 far as determining how--whether or not the call is  
12 applicable to recip comp, I think that's another  
13 issue in the intercarrier comp, and I don't think  
14 Verizon's position is it's just based on the NXXs.

15 MS. PREISS: I don't think that's the  
16 question I asked, but I'll try to ask it better.

17 Didn't you say, Mr. D'Amico, that GRIPs  
18 and VGRIPs are limited to calls to which reciprocal  
19 compensation applies without us having to decide  
20 right at this moment which calls those are?

21 MR. D'AMICO: Yes. Talking about the  
22 offset thing?

1 MS. PREISS: All of that didn't apply to  
2 the intra-LATA toll example.

3 MR. D'AMICO: Correct.

4 MS. PREISS: So then Verizon's language in  
5 Sections 7.1.1.2 and 7.1.1.3--that's Verizon's  
6 language to WorldCom--that should be read as being  
7 limited to calls to which reciprocal compensation  
8 will be the applicable intercarrier compensation  
9 regime?

10 MR. D'AMICO: Yes, and I think somewhere  
11 up above there is a heading that says reciprocal  
12 compensation interconnection point or something.

13 MS. PREISS: And then the same would be  
14 true with the language to AT&T, the 4.1.3.2 and  
15 4.1.3.4 language?

16 MR. D'AMICO: Yes.

17 MS. PREISS: Thanks.

18 MR. DYGERT: Back to the break. It's now  
19 11:15. Why don't we come back at 11:30.

20 (Brief recess.)

21 MR. DYGERT: We talked some during the  
22 break, and are optimistic that we have about an

1 hour's worth of questions left for this subpanel,  
2 and then we will be able to move on.

3           So, what we would like to do is, and it  
4 may be less than an hour, even, but what we would  
5 like to do is try to finish those up, and then  
6 break for lunch. So, with no further ado.

7           MR. KEFFER: May I interject just a tad of  
8 further ado? And I really apologize for this, and  
9 I know this will be the first bit of confusion  
10 interjected on this issue, but we realized that  
11 there is a misprint on what was handed out this  
12 morning as AT&T Exhibits 31 and 33. If everyone  
13 would take their black pen and in the yellow box at  
14 the top where it says Verizon end office,  
15 underneath that there is currently a notation that  
16 says Verizon IP, VZ IP. That should be changed to  
17 say CLEC IP. So the person who made the mistake  
18 has been shot.

19           MS. FAGLIONI: No, she hasn't. I'm  
20 sitting right here.

21           MR. TALBOTT: Mr. Dygert, before the  
22 break, each of the petitioners was given the



1 opportunity to answer the question with respect to  
2 being a facilities-based provider, and then we took  
3 a break before AT&T had an opportunity to speak to  
4 that issue.

5 MS. PREISS: Can you--can AT&T keep things  
6 brief, simply tell us whether you agree or disagree  
7 with WorldCom's explanation in Exhibit 48 and how  
8 the compensation and delivery of traffic  
9 obligations were under our existing arrangements  
10 and as you understand them under GRIPs and VGRIPs?  
11 Is that what you're getting at or do you want to  
12 say something different?

13 MR. TALBOTT: I thought the question was  
14 how does it affect you as a facilities-based  
15 provider as opposed to a UNE or a resale provider,  
16 and I thought that Dr. Collins gave an excellent  
17 explanation, but that's not all there is.

18 Dr. Collins explained about how Verizon's  
19 proposal with respect to interconnection point  
20 shifts the costs for transporting traffic from  
21 Verizon to the CLECs, but the issue doesn't stop  
22 there. We have a host of interconnection issues we

1 have been discussing, and I would like just to ask  
2 the panel to keep a broad perspective and not to  
3 look at each one of these issues in isolation, but  
4 if you look at the IP issue and the tandem exhaust  
5 issue, in other words, having to take traffic to  
6 the end office and the Verizon proposal to cap  
7 traffic at 240 trunks, and that when we do have to  
8 obtain transport from Verizon, it's at access rates  
9 versus UNE rates; all of these provisions together  
10 are like a systematic effort to substantially  
11 increase our costs and make CLECs far less  
12 efficient than they could be.

13 MR. GOYAL: If I could interject, I  
14 believe some of our questions addressed these  
15 issues and some of them are issues that we are  
16 going to get to in substantive questioning, so for  
17 purposes of our organization, it would make more  
18 sense to kind of hit them one by one.

19 MR. TALBOTT: I will defer to Mr. Goyal.

20 MR. GOYAL: One question I wanted to wrap  
21 up on issue I-1 is there is testimony in Verizon's  
22 Albert/D'Amico rebuttal testimony of August 17th of

1 2001 where it--

2 MS. FARROBA: Does Verizon know an exhibit  
3 number that is?

4 MS. FAGLIONI: What's the date?

5 MR. GOYAL: August 17.

6 MR. ALBERT: Nonmediated rebuttal.

7 MR. GOYAL: It's testimony on issue I-1.  
8 The page number is page 11.

9 MS. FARROBA: It's Verizon Exhibit 18.  
10 Thank you.

11 MR. GOYAL: The testimony addresses  
12 Sections 3.2.1 through 3.2.4 of AT&T's proposed  
13 language in Schedule 4.

14 Could Verizon please explain why it  
15 believes it would be responsible, if it believes it  
16 would be responsible for paying half of the costs  
17 of AT&T's network reconfigurations and why under  
18 that language.

19 MR. D'AMICO: So, this is the question  
20 starting on line four?

21 MR. GOYAL: The testimony at issue starts  
22 at line 10 on page 11, and goes to line 19. The

1 paragraph begins: "If AT&T decides for reasons  
2 known to AT&T to reconfigure its interconnection  
3 architecture."

4 MR. D'AMICO: Okay.

5 So, the question is, where do we see  
6 AT&T's language that requires that?

7 MR. GOYAL: What types of reconfigurations  
8 does Verizon believe it would be responsible for  
9 paying half of the cost of, according to this  
10 testimony?

11 MR. D'AMICO: Well, I think this is citing  
12 an example where AT&T, for I guess marketing  
13 reasons or business reasons, this was an  
14 established network, and they would reconfigure  
15 that network. And what we are saying is that  
16 because of that decision to reconfigure it, Verizon  
17 would be concerned about what portions of the costs  
18 it would have to bear.

19 MR. GOYAL: Can AT&T address what it was  
20 looking for in that language, what type of network  
21 reconfigurations it had in mind and who would pay  
22 the costs.

1 MR. TALBOTT: Yes, I can. First off, AT&T  
2 proposes that that language be reciprocal so that  
3 if Verizon felt if, for instance, the Commission  
4 ordered Verizon's GRIP proposal to be introduced  
5 and Verizon wanted to rearrange the network from  
6 what it is today to GRIP, or alternatively, from  
7 one-way trunks to two-way trunks, the negotiations  
8 ongoing for the past year cover a broad number of  
9 states where some use two-way trunks and some use  
10 one-way trunks. The parties had agreed to deploy  
11 one-way trunks going forward.

12 So, the reciprocal nature of the provision  
13 is if one party would like to rearrange a portion  
14 of the network to be consistent with the current  
15 agreement, that party should have the right to seek  
16 the other party's cooperation to do so, and that  
17 party requesting the rearrangement would issue  
18 orders, and the other party would issue  
19 nonrecurring charges consistent with the agreement  
20 to cover the costs to do so. So, if AT&T was  
21 requesting it to be done and AT&T issued the  
22 orders, AT&T would expect to pay the nonrecurring

1 charges with that rearrangement. If Verizon did,  
2 we would expect Verizon to pay those charges for  
3 the orders it issues.

4 MR. GOYAL: Okay.

5 Mr. Albert, in testimony earlier today,  
6 did you testify that Verizon would not permit CLEC  
7 interconnection at accessed tandems where it was  
8 not--where Verizon was not routing its own local  
9 traffic?

10 MR. ALBERT: It's not so much a matter of  
11 not permit, I'm just trying to think of what we've  
12 in Virginia today and where we do interconnect with  
13 all CLECs.

14 Up in the Wash Met area, we are in the  
15 process of rearranging the tandems so that there  
16 will be access only tandems and local only tandems  
17 so that in the Wash Met area for those  
18 configurations for local calls will meet all  
19 carriers at the local tandem and for access calls  
20 will meet all carriers at the access tandem.

21 MR. GOYAL: Is there a technical reason  
22 why calls delivered over local interconnection

1 trunk groups at the access tandem could not be  
2 routed through the access tandem?

3           MR. ALBERT: It's partially technical. I  
4 mean, you need to have for capacity management and  
5 for administration of the network, you need to have  
6 a defined structure that everybody follows. And in  
7 order--when you start to get into the larger  
8 metropolitan areas where there are needs to have  
9 multiple tandems, you basically need to make a  
10 decision of how you're going to set them up and  
11 operate them, and then you need to have everybody  
12 interconnect and operate and manage to--the  
13 particular convention that you have in that  
14 geography. Allowing or having an environment where  
15 anybody can pick and choose on their own where and  
16 how and when they terminate different types of  
17 traffic, that's not manageable or workable or  
18 feasible from an engineering or network or  
19 administrative perspective. So, you do need to  
20 take your total loads, take your total  
21 configuration of tandems, make decisions of how to  
22 balance that out to manage the network and manage

1 capacity, and then for those different types of  
2 traffic, you meet those particular carriers at the  
3 combinations of the tandems that are best designed  
4 and configured for those purposes.

5 MR. GOYAL: Mr. Talbott, do you have  
6 anything to add to that?

7 MR. TALBOTT: I don't disagree in large  
8 measure, but to the extent that Verizon wishes not  
9 to have a local tandem in part of its network, that  
10 means the only way we may be able to efficiently  
11 interconnect would be through the access tandem,  
12 and there are other ILECs across the country that  
13 do permit where there is no local tandems CLECs to  
14 interconnect through an access tandem. It is  
15 technically feasible, in fact, in the southwestern  
16 Bell Telephone-AT&T arbitration in Texas, the Texas  
17 Commission ordered SWBT to do exactly that.

18 So, find, deploy the most logical tandem  
19 switching plan possible. Just do not eliminate the  
20 CLEC's opportunity to interconnect in the most  
21 efficient basis.

22 MR. ALBERT: And we do interconnect with



1 CLECs at access tandems. Most of our tandems are  
2 both local as well as access tandems. As a matter  
3 of fact, all of the ones in Virginia are set up  
4 that way except for the Wash Met area.

5 MS. FARROBA: Is this directly relevant to  
6 what we were discussing?

7 DR. COLLINS: Yes, it is.

8 MS. FARROBA: I guess if you could make it  
9 brief, please.

10 DR. COLLINS: It will be very brief, and  
11 that is, it is now Cox's understanding there is a  
12 second local tandem in the Norfolk LATA, and Cox  
13 very much would like to interconnect at that  
14 tandem, and so based on what we've heard here in  
15 this hearing, Cox will be making yet another formal  
16 request to do so. And we will do that shortly.

17 MS. DAILEY: I just have a couple of  
18 questions related to issues I-1 and I-2.

19 There was testimony a little bit earlier  
20 today that in the case of AT&T and Cox, in some  
21 instances in Virginia the local calling areas are  
22 different from the Virginia local calling areas.

1           Briefly, what impact does that distinction  
2 between local calling areas of the two carriers  
3 have on reciprocal compensation versus access when  
4 the two networks exchange calls? And I mean either  
5 of you could go first.

6           MR. TALBOTT: Because we are operating  
7 under a calling party network pays regime, it  
8 should be the party who originated the call and  
9 collecting the revenue has the discretion to  
10 determine under its tariffs whether that call  
11 should be local or intra-LATA toll.

12           And based on that, whether they're  
13 collecting toll revenue or local revenue should be  
14 then paying the terminating party, whether that  
15 would be a local call or toll call.

16           So, AT&T has agreed where we have--our  
17 tariffs may be different or tariff local calling  
18 areas may be different. We will pay Verizon based  
19 on our tariffs as to whether that's a local call or  
20 toll call.

21           MS. DAILEY: I want to make sure I  
22 understand what you just said. If AT&T is

1 originating a call in its local calling area and  
2 handing it off to a Verizon area that is different,  
3 that is outside the Verizon's local calling area,  
4 you will pay access to Verizon in that instance?

5 MR. TALBOTT: Let me try to answer it with  
6 a hypothetical. Hypothetically, if AT&T had a  
7 LATA-wide local calling area, then we would pay  
8 Verizon reciprocal comp transport and termination  
9 only based on our local calling area.

10 Verizon, if it had a portion of the LATA  
11 that was toll and a portion of it was local, we  
12 would assess Verizon recip comp if it was a local  
13 call in Verizon's tariff, and we would assess  
14 exchange access if it was an intra-LATA toll call  
15 in Verizon's tariff.

16 MS. DAILEY: So, rather than going with  
17 the tariff of the carrier you're terminating, you  
18 go with your own tariff if you're originating the  
19 traffic?

20 MR. TALBOTT: That's right. That's  
21 because the revenue flows to the originating party,  
22 so you would go by the originating party's tariff.

1 MS. DAILEY: Okay. Is that also true in  
2 the instance of Cox?

3 DR. COLLINS: Yes, Cox has essentially the  
4 same regime.

5 The only thing that I'm not quite sure of,  
6 however, is that if Verizon CLECs--permits  
7 originating customer toll charges and then  
8 completes a call to Cox within Cox's local calling  
9 area which overlaps Verizon's local calling area  
10 but is more extended, it's unclear to me whether  
11 Verizon has offered to pay terminating access or  
12 whether it pays reciprocal compensation.

13 My belief is it pays reciprocal  
14 compensation.

15 MS. DAILEY: In the instance where you're  
16 terminating outside your local calling area--I'm  
17 sorry, I'm not sure I understood.

18 DR. COLLINS: Cox is terminating a  
19 Verizon-originated call inside Cox's local calling  
20 area, but which is more extensive, it overlaps, but  
21 is more extensive than Verizon's local calling  
22 area. So for Verizon, it's a call that originates

1 in its local calling area and terminates outside of  
2 its local calling area. It then can assess its  
3 customer toll charges.

4 MS. DAILEY: Right.

5 DR. COLLINS: Now, the other part of that  
6 issue is what does it pay Cox. Subject to check,  
7 my belief is that it pays Cox reciprocal  
8 compensation.

9 MS. DAILEY: What is Verizon's  
10 understanding under that scenario?

11 MR. HARRINGTON: Excuse me, I have the  
12 contract language, and I regard to report that a  
13 check would reveal Dr. Collins is incorrect on the  
14 last point.

15 If you were to look at Exhibit B to Cox's  
16 petition, which is the Cox-proposed contract and  
17 the undisputed language in Section 1.39 which  
18 appears on page six, it indicates for purposes of  
19 compensation under the agreement that local traffic  
20 is based on the Verizon calling areas.

21 MS. DAILEY: Okay.

22 MR. HARRINGTON: That's for the purposes

1 of compensation between the parties.

2 MS. DAILEY: Between the carriers.

3 MR. HARRINGTON: Between the carriers.

4 MS. DAILEY: And AT&T, just to clarify, we  
5 were talking about between the carriers; correct?

6 MR. TALBOTT: Yes. That could only be  
7 between the carriers.

8 MR. HARRINGTON: I would add that Cox  
9 probably would enjoy having the AT&T provision, but  
10 that's not what we negotiated.

11 MR. D'AMICO: I'm not sure that Verizon  
12 agrees with AT--in fact, I know Verizon doesn't  
13 agree with AT&T's description of that. The recip  
14 comp is based on the Verizon calling areas.

15 MS. DAILEY: Therefore, it's Verizon's  
16 testimony that in a situation where an AT&T local  
17 call terminates in an area that would be an AT&T  
18 local calling area, but is actually an intra-LATA  
19 toll call for a Verizon calling area that you would  
20 assess an access charge to AT&T?

21 MR. D'AMICO: Yes. Based on the recip  
22 comp, and again, there is a lot of things that have

1 been happening, so I'm not sure that I jump into  
2 all of that, but it was always my understanding  
3 that it was based on the ILECs calling areas for  
4 recip comp purposes.

5 MS. DAILEY: Do you know whether that's  
6 true in the state of Virginia? Are there special  
7 rules that govern this in the state of Virginia?

8 MR. D'AMICO: I'm not aware of any special  
9 rules in Virginia.

10 MR. TALBOTT: I'm not aware of any special  
11 rules.

12 MS. DAILEY: Okay.

13 MS. PREISS: I'm sorry, just to clarify,  
14 Mr. D'Amico, you were talking about a situation  
15 when a call originates on AT&T's network and  
16 terminates with a Verizon customer. If that call  
17 would be local within AT&T's tariffs, in other  
18 words, AT&T would not assess a toll charge on its  
19 end user, but it would cross more than one Verizon  
20 local calling area, Verizon's position is it would  
21 charge AT&T access?

22 MR. D'AMICO: Yes.

1 MS. PREISS: Okay.

2 MS. DAILEY: Is there a situation where  
3 the AT&T local calling area would actually be  
4 smaller than the Verizon local calling area? I'm  
5 thinking of the reverse situation where Verizon is  
6 terminating outside the AT&T local calling area.

7 MR. D'AMICO: I'm not aware of the  
8 individual CLECs charging to their customers. I  
9 was always under the impression that for recip comp  
10 purposes that the standard was the ILEC's calling  
11 areas, but you could get into a lot of discussion  
12 on that, so.

13 MS. DAILEY: There was testimony  
14 yesterday, and this is for Dr. Collins, about  
15 Verizon wanting to co-locate at the Cox facility  
16 for--I believe, for interconnection purposes.

17 Does that sound correct?

18 DR. COLLINS: Yes, that's correct.

19 MS. DAILEY: And Cox doesn't want Verizon  
20 to co-locate in its facility; is that correct?

21 DR. COLLINS: That's correct.

22 MS. DAILEY: My question for you is, can



1 you explain why Verizon could not co-locate outside  
2 but nearby the Cox facility.

3 MS. PREISS: I think we don't mean  
4 co-locate. We mean deliver the traffic.

5 MS. DAILEY: For the purposes of  
6 interconnection, excuse me. That's right.

7 DR. COLLINS: I understood that.

8 It is possible, and that's what Cox has  
9 recommended, and a convenient place to do it is at  
10 that closest wire center, and that's what Cox's  
11 proposal is all about, make that interconnection at  
12 the closest wire center and exchange traffic.

13 MS. DAILEY: Would it be possible for  
14 Verizon to interconnect at a closer point than the  
15 nearest wire center?

16 DR. COLLINS: I don't know the answer to  
17 that. All I could say is that Cox has looked at  
18 the situation from its two existing switching  
19 centers, and determined that the nearest wire  
20 center is the most appropriate place. But beyond  
21 that, I just don't have any specific knowledge.

22 MS. DAILEY: Okay.

1 MR. TALBOTT: May I try?

2 MS. PREISS: I think this is just a Cox  
3 issue, Mr. Talbott.

4 MR. TALBOTT: There is an AT&T proposal  
5 which Verizon does not wish to do, and that's  
6 called intra-building cable, which is electrical  
7 cable that's within the--

8 MS. DAILEY: I guess I'm going to stop you  
9 because this--I mean, go off-line with Verizon and  
10 Cox and see if maybe they want to work it out that  
11 way.

12 I have one more question for the WorldCom  
13 witnesses, and it concerns the testimony, I believe  
14 it's Exhibit--rebuttal testimony, Exhibit 15 at  
15 pages three to four. Starting page--excuse me,  
16 line 19--there is testimony: In the single POI  
17 approach, (reading) WorldCom provides its own  
18 facilities the co-location on Verizon's network for  
19 the traffic it originates. Verizon provides its  
20 own facilities to bring traffic to the POI, and  
21 Verizon then uses--utilizes WorldCom's facilities  
22 transport calls from the physical point of

1 interconnection to the WorldCom switch, and pays a  
2 transport charge pursuant to the Interconnection  
3 Agreement because WorldCom built the  
4 interconnection facility.

5 Is that transport charge part of the  
6 reciprocal compensation rate, or is there a  
7 separate transport charge that WorldCom is  
8 assessing?

9 MR. GRIECO: I believe that is part of the  
10 reciprocal compensation rate.

11 MS. DAILEY: Okay. That's it for me.

12 MR. GOYAL: I would like to move to issue  
13 I-4, which deals with tandem exhaustion.

14 My first question is for Verizon. Under  
15 Verizon's proposal, CLECs--first, I want to clarify  
16 the threshold that CLECs would meet in order to  
17 trigger the requirement that they establish end  
18 office interconnection under Verizon's proposed  
19 language.

20 Is it a DS1 threshold and/or 200,000  
21 combined minutes of use in a month, or are the two  
22 synonymous?

1 MR. ALBERT: The two are synonymous, and  
2 the way you would actually determine that you had a  
3 DS1 or the need for 24 trunks would be based on if  
4 you had the 200,000 minutes of use in the month.  
5 So, that's the estimate of the number of minutes of  
6 use that a trunk group sized to 24 would carry.

7 MR. GOYAL: The trunk that would be  
8 established between the Verizon tandem--I'm sorry,  
9 between the CLEC switch and the Verizon end office  
10 switch, once the trigger was established, what  
11 would the nature of that facility be? Would it be  
12 a UNE entrance office facilities or something else?

13 MR. ALBERT: A variety of different  
14 transport options that could be used to actually  
15 carry that trunk, and that would go back to the  
16 terms of the Interconnection Agreement.

17 MR. GOYAL: Could you just lay out briefly  
18 what those options are.

19 MR. ALBERT: It's kind of the standard  
20 three or four. One could co-locate, and one could  
21 get entrance facilities and mid-span meets, all of  
22 the menu of different transport options that are

1 possible.

2 MR. GOYAL: Isn't the same range of  
3 options available to establish interconnection  
4 trunks under Verizon's proposed language?

5 MR. ALBERT: I think so.

6 MR. D'AMICO: Yes, it is.

7 MR. GOYAL: I just want to make sure I had  
8 the category correct.

9 Is Verizon's position that those  
10 interconnection trunks, those would be dedicated  
11 facilities to the CLEC; correct?

12 MR. ALBERT: From the end office?

13 MR. GOYAL: To the CLEC switch.

14 MR. ALBERT: Yes.

15 MR. GOYAL: Is it Verizon's position that  
16 the end office switch would not be a POI in that  
17 scenario, a physical point of interconnection?  
18 When a direct trunk is established to the end  
19 office switch?

20 MR. ALBERT: I think that may get back to  
21 the particular method of transport that's employed  
22 and used, where there are a variety of options, and

1 those options then have different physical places  
2 where the wires can meet.

3 MR. D'AMICO: I mean, basically, it's  
4 whatever provisions can be used to get traffic to a  
5 tandem. The separate trunk groups would then be  
6 established directly to that end office. So,  
7 it's--I guess the issue is getting the traffic off  
8 the tandem and establishing a direct tandem office  
9 trunk group, and all of the, I guess, provisions or  
10 normal things that happened with transport, this  
11 wouldn't be any different.

12 MS. FARROBA: But would it be a point of  
13 interconnection?

14 MR. D'AMICO: There would have to be a  
15 point of interconnection, yes.

16 MS. FARROBA: Would it be at the central  
17 office?

18 MR. D'AMICO: Whose central's office?  
19 Verizon's central office or the CLEC central  
20 office?

21 MR. GOYAL: Maybe I could ask it another  
22 way.

1           Would it be a point of interconnection as  
2 determined, for example, in the language proposed  
3 by WorldCom in 2.1? That's at page one of the  
4 revised Joint DPL.

5           MR. D'AMICO: Yes. Again, it's nothing  
6 different. It's the same arrangements. It's just  
7 that now that there is a POI and there is an IP, in  
8 the first situation the Verizon IP is the tandem,  
9 and the second situation the Verizon IP is the end  
10 office.

11           When you're trunking in the other  
12 direction, you just reverse that.

13           MR. GOYAL: If I could follow up on that.  
14 Under the options set forth in this language, and  
15 I'm sorry to spend so much time trying to nail this  
16 down, under the options set forth in this language,  
17 if the CLEC were to remember the option set forth  
18 in 2.1.2.1 to establish direct end office  
19 interconnection that's at page two of the revised  
20 JDPL, would that constitute a point of  
21 interconnection at the end office?

22           MR. D'AMICO: If that co-location

1 arrangement is at that end office, yes.

2 MR. GOYAL: In the option 2.1.2.2, if that  
3 co-location were at the end office, would that  
4 constitute a point of interconnection?

5 MR. D'AMICO: Yes. The difference there  
6 is that's just a third party's co-lo that there's  
7 some kind of relationship between the two.

8 MR. GOYAL: Under the option in 2.1.2.3,  
9 where would the point of interconnection be if the  
10 entrance facility is between the CLEC switch and  
11 the Verizon end office switch?

12 MR. D'AMICO: The point of interconnection  
13 would be at the CLEC switch.

14 MR. GOYAL: I want to ask some questions  
15 to--well, first to WorldCom on the 240 total tandem  
16 trunk cap. My understanding--is my  
17 understanding--when was this proposal first made to  
18 WorldCom?

19 MR. GRIECO: It's in the contract proposal  
20 I have in front of me from Verizon. I'm not sure  
21 when it was first made.

22 MR. BALL: We haven't been in the



1 day-to-day negotiation sessions.

2 MR. GOYAL: I would like to direct my next  
3 question to Verizon.

4 Does Verizon propose to cap the total  
5 number of tandem trunks CLEC may purchase with  
6 respect to the petitioners other than WorldCom?

7 MR. ALBERT: Yeah, we made that proposal  
8 in all three negotiations.

9 MR. GOYAL: In the contract language I  
10 have in front of me in the revised joint DPL, is  
11 there contract language to each of the petitioners  
12 reflecting that cap on the total number of tandem  
13 trunks? Could Verizon point me to it.

14 MR. EDWARDS: I just checked with the AT&T  
15 negotiator, and it's not in the AT&T language.

16 MR. STANLEY: It's not in the Verizon  
17 language proposed to AT&T? Is that what you meant  
18 by the AT&T language?

19 MR. EDWARDS: That's what I meant, and let  
20 me check with the people tapping on my shoulder,  
21 and I will get right back to you.

22 MR. STANLEY: Okay.